

## Message Text

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71

ACTION ARA-10

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 CIAE-00 INR-07

NSAE-00 L-03 EB-07 COME-00 TRSE-00 FEA-01 OES-06

OMB-01 /062 W

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R 191530Z AUG 76

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 1227

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 5889

E.O. 11652: GDS

TAGS: ENRG, EC

SUBJECT: TEXACO RESUMES DEPOSIT PAYMENTS; GULF CONTINUES ITS  
SUSPENSION

REF: QUITO 5602

1. SUMMARY: TEXACO HAS RESUMED PAYING DEPOSITS BUT GULF CONTINUES ITS SUSPENSION. GULF VICE PRESIDENT HAS ASKED TO MEET WITH POVEDA THIS WEEK TO REPORT GULF'S DECISION REGARDING RESUMPTION OF DEPOSITS, A DECISION WHICH WILL DEPEND ON A MEETING BETWEEN GULF AND TEXACO HELD AUGUST 17. NO NEGOTIATIONS HAVE YET BEEN HELD TO WORK OUT DETAILS OF THE AGREEMENT REACHED BETWEEN TEXACO-GULF AND THE SUPREME COUNCIL (REFTEL). END SUMMARY.

2. LOCAL TEXACO MANAGER MIKE MARTINEZ INFORMED EMBOFF AUGUST 17 THAT TEXACO HAS NOW MADE TWO DEPOSITS FOLLOWING GOE CORRECTION OF DEDUCTION PERCENTAGES. TEXACO HOPES TO HAVE CORRECTED PERCENTAGES ON OTHER OUTSTANDING DEPOSITS WITHIN A FEW DAYS. MARTINEZ SAID MINISTER OF NATURAL RESOURCES VARGAS WAS RELIEVED BY TEXACO'S ACTION.

3. LOCAL GULF MANAGER JACK O'BRIEN CALLED ON AMBASSADOR EVENING OF AUGUST 17 FOLLOWING O'BRIEN'S RETURN FROM MEETING  
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WITH GULF MANAGEMENT IN CORAL GABLES. O'BRIEN CONFIRMED

THAT GULF HAD NOT YET RESUMED ITS DEPOSITS. HE SAID, HOWEVER, THAT GULF VICE PRESIDENT TOM LUMPKIN HAD ASKED FOR A MEETING WITH POVEDA THIS WEEK TO REPORT GULF'S ANSWER TO THE SUPREME COUNCIL'S REQUEST TO RESUME DEPOSITS. THE MEETING HAS BEEN TENTATIVELY SET FOR AUGUST 19.

4. O'BRIEN SAID HE ANTICIPATED A MEETING WITH THE ENTIRE SUPREME COUNCIL SINCE POVEDA SEEMED RELUCTANT TO MEET WITH LUMPKIN WITHOUT THE OTHER MEMBERS, ALTHOUGH HE CONSIDERED POVEDA'S WILLINGNESS TO MEET AT ALL A FAVORABLE SIGN. O'BRIEN WAS UNWILLING TO PREDICT WHAT LUMPKIN WOULD PROPOSE; LUMPKIN'S APPROACH, HE SAID, WOULD DEPEND ON RESULTS OF MEETING WITH TEXACO AUGUST 17.

4. MARTINEZ AND O'BRIEN CONFIRMED THAT THERE HAD NOT YET BEEN ANY NEGOTIATIONS BETWEEN THE GOE AND TEXACO-GULF TO WORK OUT DETAILS OF THE AGREEMENT REACHED WITH THE SUPREME COUNCIL, SINCE TEXACO'S PREPARATION OF RELEVANT DOCUMENTS HAS BEEN VERY TIME-CONSUMING. O'BRIEN SAID VARGAS HAD NOT YET SUMMONED TEXACO-GULF FOR NEGOTIATIONS. BLOOMFIELD

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